

242.7503

(i) Allowing the contractor additional time to correct the accounting system deficiency and submit a corrected proposal;

(ii) Considering another type of contract;

(iii) Using additional cost analysis techniques to determine the reasonableness of the cost elements affected by the accounting system's deficiency;

(iv) Reducing the negotiation objective for profit or fee; or

(v) Including a contract (reopener) clause that provides for adjustment of the contract amount after award.

(3) The contracting officer who incorporates a reopener clause into the contract is responsible for negotiating price adjustments required by the clause. Any reopener clause necessitated by an accounting system deficiency should—

(i) Clearly identify the amounts and items that are in question at the time of negotiation;

(ii) Indicate a specific time or subsequent event by which the contractor will submit a supplemental proposal, including certified cost or pricing data, identifying the cost impact adjustment necessitated by the deficient accounting system;

(iii) Provide for the contracting officer to adjust the contract price unilaterally if the contractor fails to submit the supplemental proposal; and

(iv) Provide that failure of the Government and the contractor to agree to the price adjustment shall be a dispute under the Disputes clause.

[76 FR 28870, May 18, 2011, as amended at 77 FR 11366, Feb. 24, 2012; 77 FR 76940, Dec. 31, 2012]

242.7503 Contract clause.

Use the clause at 252.242-7006, Accounting System Administration, in solicitations and contracts when contemplating—

(a) A cost-reimbursement, incentive type, time-and-materials, or labor-hour contract;

(b) A contract with progress payments made on the basis of costs incurred by the contractor or on a percentage or stage of completion.]

[76 FR 28870, May 18, 2011, as amended at 77 FR 11366, Feb. 24, 2012]

48 CFR Ch. 2 (10-1-13 Edition)

PART 243—CONTRACT MODIFICATIONS

Subpart 243.1—General

Sec.

243.107-70 Notification of substantial impact on employment.

243.170 Identification of foreign military sale (FMS) requirements.

243.171 Obligation or deobligation of funds.

243.172 Application of modifications.

Subpart 243.2—Change Orders

243.204 Administration.

243.204-70 Definitization of change orders

243.204-70-2 Price ceiling.

243.204-70-4 Limitations on obligations.

243.204-70-5 Exceptions.

243.204-70-6 Allowable profit.

243.204-70-7 Plans and reports.

243.204-71 Certification of requests for equitable adjustment.

243.205 Contract clauses.

243.205-70 Pricing of contract modifications.

243.205-71 Requests for equitable adjustment.

243.205-72 Unpriced change orders.

AUTHORITY: 41 U.S.C. 1303 and 48 CFR chapter 1.

SOURCE: 56 FR 36446, July 31, 1991, unless otherwise noted.

Subpart 243.1—General

243.107-70 Notification of substantial impact on employment.

The Secretary of Defense is required to notify the Secretary of Labor if a modification of a major defense contract or subcontract will have a substantial impact on employment. The clause prescribed at 249.7003(c) requires that the contractor notify its employees, its subcontractors, and State and local officials when a contract modification will have a substantial impact on employment.

[56 FR 67220, Dec. 30, 1991, as amended at 70 FR 67922, Nov. 9, 2005]

243.170 Identification of foreign military sale (FMS) requirements.

Follow the procedures at PGI 243.170 for identifying contract modifications that add FMS requirements.

[70 FR 67922, Nov. 9, 2005]